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A N N E X

1 February 1950

**IMPLICATIONS OF SOVIET RECOGNITION OF THE
HO REGIME IN INDOCHINA**

Soviet recognition of Ho Chi Minh's "Democratic Republic of Vietnam" early this week, following similar action by the Chinese Communists, has jeopardized the already uneasy position of the French--and the French-sponsored Bao Dai regime--in Indochina. The implicit threat in the Communist diplomatic maneuvers is strengthened by the presence of Chinese Communist forces on the Indochina frontier and their ability to make substantial military supplies available to the pro-Communist Ho regime. This combination of political and military pressure may, by itself, force the French to withdraw from Indochina within a year. In the unlikely event that the Chinese Communist Government should send a major military force into Indochina for action against the French, French withdrawal could be expected within six months.

If France is driven from Indochina, the resulting emergence of an indigenous Communist-dominated regime in Vietnam, together with pressures exerted by Peiping and Moscow, would probably bring about the orientation of adjacent Thailand and Burma toward the Communist orbit. Under these circumstances, other Asian states--Malaya and Indonesia, particularly--would become highly vulnerable to the extension of Communist influence.

Meanwhile, by recognizing the Ho regime, the USSR has revealed its determination to force France completely out of Indochina and to install a Communist government. Alone, France is incapable of preventing such a development. Although Western nations are committed to support of the

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French on the diplomatic level--the US and the UK, for example, plan shortly to extend recognition to the French-sponsored Bao Dai regime--such actions are unlikely to halt the present trend in Indochina. Prospects for obtaining additional diplomatic support for the French or Bao Dai are poor in view of the unwillingness of most Asian nations to assist what they regard as a "colonialist" puppet regime. In fact, many of these nations can interpret Soviet and Chinese recognition of Ho as concrete action in support of Asian nationalism.

In resisting the Communist advance, France can now turn for assistance only to the US, which, in the face of recent actions by the USSR and China in seizing the initiative in Southeast Asia, is now confronted with the general alternatives of either increasing its support of Bao Dai or withdrawing such support as has already been afforded. Adoption of the first alternative sets up Bao Dai as the principal anti-Communist instrument in Indochina, despite the inherent weakness of his position. Asian nations, moreover, would tend to interpret such US action as support of continued Western colonialism. The second alternative, which would result in the inevitable downfall of Bao Dai, would open the way for intensified Communist action in Southeast Asia and would render increasingly difficult the containment of Soviet influence throughout the Far East.

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